

\$1.5M DRAW DOWN ON SOUTH AUSTRALIAN GOVERNMENT LOAN

\$1.5 million supports APAS® technology development and extends funding runway

Adelaide, Australia, 26 May 2020: Australian medical technology company LBT Innovations Limited (ASX: LBT) (**LBT** or the **Company**), a leader in medical technology automation using artificial intelligence, is pleased to announce it has drawn down the third and final instalment of \$1.5 million under the \$4 million loan facility provided by the South Australian Government (the **Facility**).

Key Points

- **\$1.5 million cash from final draw down of South Australian Government Facility**
- **Further strengthens LBT's last reported cash position of \$6.8 million at 31 March 2020**
- **Low interest Facility 2% above South Australian government cost of funds**

As announced on 8 May 2020, the South Australian Government extended the ability to draw down the \$1.5 million third tranche of the Facility to 31 December 2020. As LBT has achieved the required operational milestones under the Facility, it has lodged a draw down notice for the final \$1.5 million. The first two instalments under the Facility totalling \$2.5 million converted to a standard principal and interest loan in February 2020 and are being repaid through fixed quarterly repayments of \$0.16 million through to February 2024. This final \$1.5 million instalment will immediately convert to a separate principal and interest loan, increasing the fixed quarterly repayments by a further \$0.1 million through to February 2024.

The Facility was put in place to support the Company's strategic program of building internal capability in the areas of artificial intelligence, clinical science and software engineering to deliver its ongoing APAS® technology development. This insourcing strategy commenced 20 months ago and has enabled the Company to better control and accelerate the development of new APAS® Analysis Modules for the testing of additional specimen types. This ongoing development work extends the clinical utility and value proposition of the APAS® technology by enabling the APAS® instrument to support a greater volume of the tests processed by our customers.

This additional \$1.5 million further strengthens LBT's last reported cash position of \$6.8 million at 31 March 2020. In the current market, LBT is carefully managing its cashflow whilst continuing its strategic development initiatives, including, the VRE Analysis Module clinical study and supporting the MRSA Analysis Module application for US FDA 510(k) approval.

LBT CEO and MD, Brent Barnes said:

"Draw down of the final \$1.5 million instalment from the South Australian Government adds to our available cash and extends our funding runway. During the current challenging economic times associated with COVID-19, this additional funding underpins the ongoing development of the APAS® technology, providing a win-win for the Company and our shareholders. The continued support of the South Australian Government is greatly appreciated during this period of uncertainty."

Approved for release by the Chair of the LBT Board.

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About LBT Innovations

LBT Innovations (LBT) improves patient outcomes by making healthcare more efficient. Based in Adelaide, South Australia, the Company has a history of developing world leading products in microbiology automation. Its first product, MicroStreak®, was a global first in the automation of the culture plate streaking process. The Company's second product, the Automated Plate Assessment System (APAS®) is being commercialised through LBT's 50% owned joint venture company Clever Culture Systems AG (CCS) with Hettich Holding Beteiligungs- und Verwaltungs-GmbH. The APAS® instrument is based upon LBT's intelligent imaging and machine learning software and remains the only US FDA-cleared artificial intelligence technology for automated imaging, analysis and interpretation of culture plates following incubation.

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